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C O N F I D E N T I A L SECTION 01 OF 02 GUANGZHOU 000558

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STATE FOR EAP/CM, INR/EAP

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TAGS: PGOV ECON CH

SUBJECT: New South China Evaluation Criteria less GDP Centric, Slightly less Opaque

11. (U) Classified by Consul General Robert Goldberg for reason 1.4 (d).

12. (SBU) SUMMARY: What do YOU need to do to get promoted? For Guangdong Party and government leaders hoping for recognition at the municipal and department-head levels, the answer is better balancing of GDP growth with social development, quality of life issues and environmental protection, according to new official evaluation criteria. Though the CPC Organization Department remains thoroughly in charge of evaluations and promotions, the new system should make it more difficult for leaders to hide poor performance from the Party, at least. An increased dependence on reliable numerical data will likely raise the influence of the provincial-level statistics bureau. END SUMMARY.

New Areas for Improvement; No Longer "GDP Only"

- 13. (U) GDP growth and other economic factors will only account for 27 to 33 percent of municipal-level Party and government officials' evaluations, according to the recently released "Guangdong Provincial Assessment Index System." Though an area's economic performance continues in most cases to be the most heavily weighted assessment factor, the new system defines the province's development priorities by placing GDP growth within the context of progress in addressing social and environmental needs.
- ¶4. (U) Though it is widely believed that GDP growth previously was weighted far in excess of all other evaluation considerations, Guangdong's earlier evaluation criteria is difficult to come by. In this regard, the publication of the new criteria in the Southern Daily newspaper represents an important step toward transparency in the process.

More Raters and Reviewers (But will it Matter?)

¶5. (C) Political experts are split on what effect the new criteria will have on leaders' performance. Referring to the new, formal requirement that comments from the provincial People's Political Consultative Conference and People's Congress be used to help evaluate local leaders, Guangzhou Academy of Social Science President Li Jiangtao said that being subject to more monitoring by more people "will surely reshape the officials' priorities and behaviors." Li went on to concede, though, that it was unknown how deep the changes would go in practice. Sun Yat-sen University Nanfang College President Xu Luodan claimed to be "cautiously optimistic" about the new system, but cited the need for increased transparency throughout the process to prevent corruption. South China Normal

University Political Science Professor Wang Jinhong was the most pessimistic of the three, predicting that officials would still find ways to manipulate the system as long as the process retained any of its opacity. All three experts noted that the Communist Party's Organization Department would continue to compile the relevant data, write the evaluations and determine promotions, lateral assignments and demotions.

And You Thought YOUR Evaluation Report was Complicated

- $\ \underline{\ }$ 6. (U) The new criteria categorize urban areas into four groups:
- -- "Municipal Development Zones" (dushi fazhan qu), consisting of Guangzhou and Shenzhen;
- -- "Optimized Development Zones" (youhua fazhan qu), comprised of Zhuhai, Foshan, Dongguan and Zhongshan;
- -- "Key Development Zones" (zhongdian fazhan qu), made up of the 12 cities of Huizhou, Jiangmen, Shantou, Shanwei, Yangjiang, Zhanjiang, Maoming, Zhaoqing, Qingyuan, Chaozhou, Jieyang and Yunfu; and
- -- "Ecological Development Zones" (shengtai fazhan qu), consisting of Shaoguan, Huyuan and Meizhou.
- 17. (U) Senior party officials, mayors and department heads in all four types of zones will be judged according to four broad categories -- economic development (ED), social development (SD), public quality of life (QL) and

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environmental protection (EP) -- but the categories will be weighed differently for each type of zone. The percentage weights for the above categories:

-- ED SD QL EP Municipal Dev. Zones: 30 / 22 / 23 / 25 Optimized Dev. Zones: 31 / 21 / 23 / 25 Key Dev. Zones: 33 / 19 / 20 / 28 Ecological Dev. Zones: 27 / 21 / 22 / 30

18. (U) Each of the four main categories has as many as 10 subcategories, which vary depending on the existing level of a zone's development. Guangzhou and Shenzhen alone have the requirement to increase the proportion of service industries versus traditional manufacturing. Conversely, optimized, key, and ecological zones will have their FDI growth rate measured, a criterion not applicable to municipal zones. Only leaders of ecological zones will be judged on their ability to develop the local tourism industry.

Looking for a Career-Enhancing Assignment? Try Statistics.

19. (SBU) Under the new system, provincial-level Statistics Bureau numbers will influence scores in 12 of 32 subcategories, including all nine concerning economic development. Previously, local governments were responsible for providing their own statistical data -- which at best were flattering, and at worst, fraudulent -- to the Organization Department. The new reliance on better data promises to raise the profile of Guangdong's Statistics Bureau, but will also potentially expose its managers and statisticians to requests that they fudge the data (best case scenario) or accept gratuities for services rendered (corruption) as municipal leaders seek to ensure their own success.